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FISCAL IMPACT STATEMENT

LS 6258

BILL NUMBER: SB 60

NOTE PREPARED: May 2, 2011

BILL AMENDED: Apr 29, 2011

SUBJECT: Local Government Issues.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR: Rep. Soliday

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Consultant Training-* The bill provides that one executive session per calendar year may be held under the open door law to train members of a board of aviation commissioners or an airport authority board with an outside consultant about the performance of the role of the members as public officials.

Aviation Authorities and Boards Under Public Work Project Statute- The bill specifies that the statutes governing public work projects by political subdivisions apply to contracts by a board of aviation commissioners or an airport authority board.

Provision of Aviation Services- The bill provides that an airport authority board may provide aviation services to public use airports within or outside Indiana either directly or through an affiliate entity established by the board.

Delayed Bid Opening- The bill provides that for purposes of the local public works statutes, bids may be opened after the time designated if: (1) the political subdivision makes a written determination that it is in the best interest of the political subdivision to delay the opening; and (2) the day, time, and place of the rescheduled opening are announced at the day, time, and place of the originally scheduled opening.

Indianapolis Airport Authority- The bill reduces the number of members appointed by the mayor of the consolidated city from six members to five members. It provides for the majority leader of the city-county council to appoint a member currently appointed by the county commissioners from one of the townships in which the airport is located. The bill increases the number of voting members by one member. The bill provides that the term of office of the member appointed by the county commissioners expires January 1,

2012. It provides that the appointment by the majority leader of the county legislative body is effective January 1, 2012. The bill provides that the individual appointed by the county commissioners and whose term expires January 1, 2012, may be reappointed by any public official who has appointment authority after December 31, 2011.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Aviation Authorities and Boards Under Public Work Project Statute-* Under current public work project statute, plans and specifications for a project must be approved by the State Department of Health, the Fire and Building Safety Division of the Indiana Department of Homeland Security, and any other state agency as required by any other statute.

The provision could increase the workload of the above agencies accordingly. The bill does not provide an appropriation to cover additional staff time that could be required to approve plans. The above agencies would have to review and approve plans within their existing level of resources.

Explanation of State Revenues: *Aviation Authorities and Boards Under Public Work Project Statute-* The statute governing public works projects currently prohibits a governmental entity from splitting an existing bid project into two or more projects in an effort to avoid future bidding. Intentional splitting of a project without a new bid process is classified as an A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Provision of Aviation Services-* An increase in aviation services would require an increase in airport authority expenditures. Operating expenses of an airport authority is generated through a statutorily set tax levy rate. The potential expenditures are indeterminable and would depend on future airport authority tax levies and budgets.

Indianapolis Airport Authority- IAA per diem expenditures would be reduced as result of this provision. Currently, the IAA board of commissioners has eight voting members and three non-voting advisory members for a total of eleven members. The bill would allow nine voting members and one non-voting advisory member for a total of ten members. The membership appointments of the nine new voting members would include five appointed by the Mayor of Indianapolis, one by the majority leader of the Indianapolis/Marion County City/County Council, and three appointed by the county executives of Hendricks, Hamilton, and Hancock Counties. The single advisory member would be from Morgan County as current.

Background Information- Airport authority members and board of aviation commissioners may receive a per diem of no more than \$35 per day and reimbursement of travel expenses in the course of their duties.

A Class A misdemeanor is punishable by up to one year in jail.

Airport Authorities and Boards of Aviation Commissioners- There are currently 108 public use airports in Indiana, 29 of which are privately owned. The remaining airports are governed by 48 boards of aviation commissioners, 17 airport authorities, five by the state (four by the Department of Natural Resources and one by Purdue University), and two with unknown ownership.

Explanation of Local Revenues: *Aviation Authorities and Boards Under Public Work Project Statute-* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: State Department of Health; Department of Homeland Security.

Local Agencies Affected: Airport authorities; boards of aviation commissioners; trial courts, local law enforcement agencies; Marion County City County Council.

Information Sources: Indiana Department of Transportation; IAA website.

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